DMG CONSULTING LLC

ABSTRACT

2011 – 2012
Contact Center Workforce Management Market Report

DMG Consulting's **fourth annual Contact Center Workforce Management Market Report** gives contact center and IT managers the market, vendor, product, functional, technical, pricing and trend information to help them make the right workforce management technology selection for their contact center. This 343-page report also arms contact center managers with the best practices to realize the greatest continuing return on their technology investment.

For more than three decades, the contact center industry has had a love/hate relationship with workforce management (WFM). During 2010, the sector continued to show growth, with 8,089 contact centers using WFM solutions, up 21.5% from 6,659 in 2009. During the same period, the number of contact center seats grew by 19.0%, from 4,846,128 in 2009 to 5,768,805 in 2010, with a majority of vendors showing double-digit growth in number of seats. However, while WFM solutions may be credited with benefits like cost savings and productivity gains, the unnecessary complexity of some solutions makes adoption rates lower than expected. The **2011-2012 Contact Center Workforce Management Market Report** explores four existing and emerging trends that are driving change and innovation in the WFM market, injecting new life and opportunity into this long-time staple of the contact center.

Ease of Use and Multi-channel WFM: The contact center WFM market is seeing innovation focused on making solutions easier to use and better able to handle multi-channel scheduling and forecasting. Hundreds of contact centers have purchased and installed WFM solutions, but use them infrequently, if at all, because they are too difficult to operate or there are no longer trained WFM specialists on staff. Several newer WFM vendors believe their applications should do most of the work, rather than expecting customers to act like programmers; therefore,, they have invested in creating and delivering interfaces that make it easy for customers to use their applications. DMG expects to see a great deal more innovation in this area over the next few years, as some of the easier-to-use applications win business away from market leaders. All of the contact center WFM solutions in this report address calls, and all of the vendors claim to handle emails and chat sessions, as well. However, few of the solutions do a good job of handling social media interactions, which continue to grow in importance. Multi-channel capabilities are increasingly differentiating one solution from another. End users should be aware that many WFM solutions are lagging in providing effective multi-channel capabilities, despite their claims to the contrary. DMG expects to see continuing developments in multi-channel functionality, as contact centers and back-office operations increasingly require it to optimize staff-related resources.

Cloud-based WFM: End users now have a choice to deploy feature-rich WFM on-premise or in the cloud. The availability of cloud-based (also known as hosted) solutions is helping increase adoption rates by offering organizations the flexibility to try WFM without making a major up-front investment or long-term commitment. Vendors who want to deliver hosted WFM solutions know that meeting end users' needs requires more than simply running separate or multiple instances of their solution in a data center and claiming that it's hosted. End users considering this type of WFM solution should look beyond the marketing message to ensure that the vendor understands the unique needs of cloud-based solutions, and is making the necessary investments in their offering. DMG expects to see continued innovation and adoption in the hosted WFM solution sector.

Perspective from Europe: A new generation of WFM solutions has brought innovative features, capabilities, architectures, services, pricing and delivery models to market over the last couple of years. Some of these solutions were developed in the US, but a growing number are coming from other countries, especially from Europe. European WFM solution providers have different priorities from their US counterparts. While they have to address forecasting and scheduling, these solutions also dedicate significant resources to handling country-specific work rules. Although this is not as much a priority for US-based centers, they do stand to benefit from the fresh perspective that the European vendors bring to the WFM challenge.

Back-office WFM: Perhaps the most significant trend altering the WFM landscape is that organizations are awakening to the needs of the back office. Executives the world over have begun to realize that they can apply the best practices, disciplines and solutions honed in the contact center to other parts of their businesses, with the goal of reaping similar cost and efficiency benefits. While back-office WFM requires a different set of mathematical algorithms than those used to forecast contact center calls, many of the other challenges – such as scheduling, intra-day re-forecasting and staff self-service – are similar. The growing interest in back-office WFM solutions has a number of contact center WFM vendors claiming to provide this functionality. However, Erlang C does not allow for latency, does not address backlog, and does not effectively handle multiple channels, all of which are core requirements in back-office operating environments. End users with back-office WFM needs should ensure that the solution they select can effectively meet their requirements for specific back-office processes. DMG expects back office to become an important growth area for WFM solutions, but it will take three to four years before the number of implementations becomes significant. DMG predicts that back-office WFM will ultimately grow to be substantially larger than the contact center WFM market.

The 2011-2012 Contact Center Workforce Management Market Report is the most comprehensive, fact-based and timely analysis of this evolving technology sector. It covers 33 contact center workforce management vendors in total, and features detailed reviews of eight leaders and contenders including: Aspect, Calabrio, Genesys, GMT, Interactive Intelligence, NICE/IEX, Telopti, and Verint Systems, Inc. This edition of the Report also includes two new sections, one assessing the long-term planning sector of the contact center WFM market, and the second providing an overview of developments in back-office WFM.

This Report analyzes all aspects of the contact center WFM market including trends, challenges, best practices, return on investment (ROI), benefits, customer satisfaction, market innovation, vendors, products, functionality, technology, market share, adoption rates, projections and pricing. It presents and analyzes the functional components of these highly valuable but complex WFM solutions, giving detailed descriptions of available core and optional WFM modules, how each benefits an organization, and the functional differentiators among vendor offerings. Finally, the Report reviews the expanding WFM competitive landscape including market momentum, product opportunities and vendor positioning.

Order Information: To order a copy of the *2011-2012 Contact Center Workforce Management Market Report* contact Deborah Navarra at deborah.navarra@dmgconsult.com or 516-628-1098. You may also purchase the report online at www.dmgconsult.com.

Key Reasons to Buy This Report

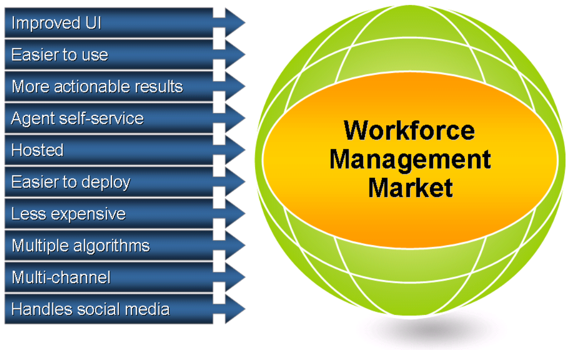
- **Competitive overview and market share analysis:** High-level review of the 33-vendor WFM competitive landscape along with comprehensive corporate, technical, financial and detailed functional side-by-side comparisons of eight leading and contending vendors and their solutions. Includes market share data, adoption rate analysis, and four-year projections.
- **Market overview:** Overview of the contact center WFM market, segments, trends, challenges, and how this technology segment is evolving. How hosting/cloud, social media and non-contact center WFM is changing market dynamics; the importance of enabling agent preferences and a look at the self-service environments that support it; the challenges of multi-channel, multi-skill, outbound and blended contact centers; a review of the internationalization of WFM and an analysis of the features and functionality needed to support globalization.
- **Product comparisons:** Company reports examining all aspects of generally available WFM solutions, including differentiators, challenges and future R&D plans.
- **Insights into new and emerging functionality:** A look at product innovation that has recently been introduced into the market, as well as a detailed review of the enhancements planned for the next 12 months.
- **Best practices for end users and vendors:** Review of operational best practices for contact center managers and agents, insight into what end users should expect from a successful WFM implementation, and vendor best practices for implementing WFM solutions.
- **End-user commentary:** Comprehensive independent vendor satisfaction analysis, addressing end users' opinions of each vendor's products, implementation, training, professional services, support, innovation/responsiveness and pricing. Includes an expanded analysis of product satisfaction with end users' satisfaction ratings across 14 product components.
- **Complete WFM Vendor Directory**

Report Highlights:

- **The industry's love/hate relationship with WFM still yields growth:** The contact center workforce management sector continues to show growth, with 8,089 contact centers using WFM solutions in 2010, up 21.5% from 6,659 in 2009. During the same period, the number of contact center seats grew by 19.0%, from 4,846,128 in 2009 to 5,768,805 in 2010.
- **End-user interest in new WFM solutions will fuel growth through 2014:** Vendors are investing in making their products easier to use. As a result, companies who were not willing to invest in WFM in the past, or those looking to replace existing WFM solutions, are expected to be more receptive to the new generation of solutions. DMG expects the WFM market to grow by 11% in 2011, 12% in 2012 and 2013, and 10% in 2014.
- **Innovation is coming in the form of ease of use and multi-channel capabilities:** WFM vendors are focused on making it easier for customers to use their applications. As these easier-to-use versions win business away from market leaders, DMG expects to see more vendors focusing on ease of use to remain competitive. Multi-channel capabilities are also increasingly becoming a differentiator. End users should know that many WFM solutions are lagging in providing effective multi-channel capabilities, despite vendor claims. DMG expects to see more developments in multi-channel functionality as contact centers and back-office operations increasingly require it in their WFM applications to optimize agent-related resources.
- **Cloud-based WFM is here to stay:** Cloud-based WFM solutions enable companies to try WFM without a large initial investment or long-term commitment. End users considering this type of solution should look beyond the marketing message to ensure that the vendor understands the unique needs of hosting. DMG expects to see continued innovation and adoption in the cloud-based/hosted WFM solution sector.
- **WFM gets a fresh European perspective:** A new generation of WFM solutions is coming from other countries, specifically from Europe. European WFM solution providers may have different priorities from their US counterparts, but they are bringing new ideas that can benefit US-based centers, as well.
- **Back-office WFM becomes front–of-mind for executives:** Executives are realizing they can apply best practices, disciplines and solutions honed in the contact center to other parts of their businesses. While back-office WFM requires a different set of mathematical algorithms, the scheduling, intra-day re-forecasting and staff self-service aspects are similar. DMG predicts that back-office WFM will ultimately grow to be substantially larger than the contact center WFM market.

Sample Figure: The Awakening of the WFM Market Challenges the Status Quo

Source: DMG Consulting LLC, May 2011



6 Crestwood Drive, West Orange, NJ 07052
(973) 325-2954 www.dmgconsult.com

Table of Contents

6 Crestwood Drive, West Orange, NJ 07052
(973) 325-2954 www.dmgconsult.com

Table of Contents

6 Crestwood Drive, West Orange, NJ 07052
(973) 325-2954 www.dmgconsult.com

DMG CONSULTING LLC

Table of Figures

6 Crestwood Drive, West Orange, NJ 07052
(973) 325-2954 www.dmgconsult.com

Table of Figures

Order Information: To order a copy of the *2011-2012 Contact Center Workforce Management Market Report* contact Deborah Navarra at deborah.navarra@dmgconsult.com or 516-628-1098. You may also purchase the report online at www.dmgconsult.com.